

700

MAY - 3 1965

*Annual Report*

**GRANDROY MINES LIMITED**



**FOR THE YEAR ENDED DECEMBER 31, 1964**



# GRANDROY MINES LIMITED

MAY - 3 1965

## AUTHORIZED CAPITALIZATION

5,000,000 shares of no par value not to exceed \$5,000,000.00 in the aggregate.

## DIRECTORS

PHILIP E. BOYLEN	- - - - -	Toronto 18, Ontario
D. W. GORDON, F.C.I.S.	- - - - -	Toronto 5, Ontario
WILLIAM C. DURHAM	- - - - -	Toronto 17, Ontario
CHARLES B. BRANNIGAN	- - - - -	Toronto 14, Ontario
GORDON L. MOORE	- - - - -	Islington, Ontario

## OFFICERS

PHILIP E. BOYLEN	- - - - -	President
D. W. GORDON, F.C.I.S.	- - - - -	Vice-President
GORDON L. MOORE	- - - - -	Secretary-Treasurer
CHARLES B. BRANNIGAN	- - - - -	Assistant-Secretary

## HEAD OFFICE

908 - 330 Bay Street - - - - - Toronto, Ontario

## TRANSFER AGENTS

GUARANTY TRUST COMPANY OF CANADA  
366 Bay Street - - - - - Toronto 1, Ontario

## AUDITORS

LOFTUS A. ALLEN AND COMPANY  
Chartered Accountants - - - - - Toronto, Ontario



# GRANDROY MINES LIMITED

---

## *Directors' Report*

To the Shareholders:

The Annual Report of the Company, including a copy of its Balance Sheet and related financial statements covering the period ended December 31st, 1964 and the Report of the Auditors is submitted for your consideration. A copy of the Balance Sheet and related financial statements of Jacquet River Mines Limited, a wholly owned subsidiary of the Company, for the same period and the Report of its Auditors is included as a part of the Annual Report.

The Company issued and sold 400,000 shares of its capital stock for a cash consideration of \$60,000.00; and thus provided, in large part, the funds required for exploration and development work on its mining properties.

The following is a brief resume of work carried out during 1964, and as proposed for 1965:

### WILSON TOWNSHIP, QUEBEC:

The Company's claim group at Wilson Lake, Quebec was covered by geological and geophysical surveys during the summer of 1964. The exploratory work was inconclusive and the Company proposes to allow the claims to lapse and be abandoned on date of expiry, April, 1965.

### REID TOWNSHIP, ONTARIO:

A group of 18 mining claims were acquired in Reid Township of the Timmins area of Ontario, situated a few miles west of the Texas Gulf Sulphur Co. Inc. discovery. An electromagnetic geophysical survey was performed and the conductors diamond drilled with two holes for a total of 1,256 feet. Mineralization in these holes returned only very low values. The property is being retained for the time being with enough assessment work recorded to keep the claims in good standing for two years.

### LABRIE TOWNSHIP, QUEBEC:

A group of 15 mining claims situated in Labrie Township, Quebec were acquired by the Company during the latter part of 1964, for staking costs. Line cutting was carried out on the claims during December, and it is proposed to prospect them from this control grid during the summer of 1965.

#### PROVINCE OF NEWFOUNDLAND CONCESSION:

The area covered by the Company's Mineral Concession Agreement was optioned to New Jersey Zinc Exploration Company (Canada) Limited, pursuant to agreement dated May 11, 1964. An active summer programme was carried out by the Optionee Company, consisting of prospecting and geochemical surveying with expenditures in excess of \$25,000.00 and sufficient to permit its retention of the Option for another year. An interesting lead occurrence was discovered as the field season was drawing to a close upon which the Optionee Company proposes to do more work in 1965.

#### ROY TOWNSHIP, QUEBEC:

No exploration or development work was carried out on this property during 1964. The mining claims held under Development Licenses were maintained in good standing.

#### GENERAL:

The Company proposes to continue prospecting and exploration work in an area or areas from time to time considered important to the Company in an endeavour to locate a mining property of merit.

#### JACQUET RIVER MINES LIMITED:

This Company continues to hold its mining claims, held under a Mining License, in New Brunswick in good standing. The property comprises 1,090 acres and is situated in close proximity to the No. 12 Ore Body of Brunswick Mining and Smelting Corporation Limited. A work programme composed largely of geophysics and diamond drilling has been recommended and it is proposed to carry out a part of this programme during the 1965 field season.

On behalf of the Board of Directors,

PHILIP E. BOYLEN,  
President.

Dated at Toronto, Ontario,  
this 19th day of April, 1965.



# GRANDROY M

(Incorporated under the Law of the Province of Ontario)

## Balance Sheet as at

### ASSETS

Cash .....		\$ 30,777.88
Sundry receivables .....		1,179.03
Investment in shares of other mining companies, at cost (quoted market value \$140,000.25) .....		291,024.25
Investment in wholly-owned subsidiary (note 1)		
Shares, at cost .....	\$250,000.00	
Advances .....	77,373.84	327,373.84
Mining claims held under development licenses and miners' certificates, at cost (note 2) .....		76,582.26
Fixed Assets, at cost		
Automotive equipment .....	\$ 3,168.80	
Mobilehomes .....	5,700.00	
	\$ 8,868.80	
Less: Accumulated depreciation .....	4,523.09	4,345.71
Deferred development and administrative expenditures, per statement .....		314,380.72
		<u>\$ 1,045,663.69</u>

The accompanying notes form an integral part of this balance sheet.

### AUDITORS' REPORT

We have examined the balance sheet of GRANDROY MINES LIMITED as at December 31, 1964, and the results of its operations for the year ended on that date. Our examination included a general review of the accounting records and evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of operations for the year ended on December 31, 1964, are based on the records and evidence furnished to us, and are in accordance with the basis consistent with that of the preceding year.

Toronto, Ontario,  
March 18, 1965.

# NES LIMITED

of the Province of Ontario)

*December 31, 1964*

## LIABILITIES

Accounts payable and accrued liabilities ..... \$ 9,610.76

### Shareholders' Equity

#### Capital Stock

##### Authorized

5,000,000 shares of no par value

##### Issued and Fully Paid (note 3)

4,000,005 shares of no par value ..... \$ 1,483,755.25

#### Capital Deficit

per statement ..... 447,702.32 1,036,052.93

Approved on behalf of the Board:

PHILIP E. BOYLEN, Director.

G. L. MOORE, Director.

\$ 1,045,663.69

al part of the financial statements.

## THE SHAREHOLDERS

at December 31, 1964 and the statement of deferred expenditures for the year  
g procedures and such tests of the accounting records and other supporting

red expenditures present fairly the financial position of the company as at  
ate, in accordance with generally accepted accounting principles applied on a

LOFTUS A. ALLEN & COMPANY,  
Chartered Accountants.



# GRANDROY MINES LIMITED

## *Statement of Capital Deficit*

For the Year Ended December 31, 1964

BALANCE — DECEMBER 31, 1963 .....		\$436,739.97
ADD —		
Option abandoned on 6 mining claims held under development license, Senneterre Township, County of Abitibi, Province of Quebec .....	\$3,000.00	
Development costs on above mining claims .....	7,962.35	10,962.35
BALANCE — DECEMBER 31, 1964 .....		<u>\$447,702.32</u>

## NOTES TO FINANCIAL STATEMENTS

As at December 31, 1964

- The accounts of Grandroy Mines Limited and its wholly-owned subsidiary, Jacquet River Mines Limited, have not been consolidated as neither company is in production. The investment in the subsidiary is shown at cost and no adjustment has been made in the accounts of Grandroy Mines Limited for losses of the subsidiary since the date of acquisition to December 31, 1964. The analysis of the deficit of the subsidiary for this period is as follows:

Surplus as at date of acquisition .....		\$182,596.95
Written off —		
Mining claims abandoned .....	\$152,574.49	
Development expenses thereon .....	34,279.18	
Loss on sale of investments .....	37,238.35	
Incorporation expense .....	3,885.00	227,977.02
Deficit as at December 31, 1964 .....		<u>\$ 45,380.07</u>

- During the year, the Newfoundland Legislature passed the Grandroy Mines Limited (Agreement) Act 1964 in confirmation of the Agreement of September 5, 1963 between the Government of Newfoundland and the company wherein the company was granted extensive prospecting and exploration rights over a reserved area of approximately 179 square miles in the Great Northern Peninsula of Newfoundland for a period of three years expiring September 5, 1966.

Grandroy Mines Limited has granted an option to New Jersey Zinc Exploration Company (Canada) Ltd. to prospect and acquire an interest in the above property, the optionee being required to spend \$60,000 during a period of two years ending May 11, 1966. To date, \$25,531 has been expended on the property.

At any time during the two-year period and after having spent \$60,000, New Jersey Zinc Exploration Company (Canada) Ltd. may exercise the option and shall then cause a new company to be formed. Grandroy Mines Limited will transfer its entire interest in the Newfoundland property to the new company in consideration of 1,000,000 of its shares. The optionee will transfer its interest in the Newfoundland property to the new company in consideration of 2,000,000 of its shares.

- During the year, the company issued 400,000 shares for a cash consideration of \$60,000.



# GRANDROY MINES LIMITED

## *Statement of Deferred Expenditures*

For the Year Ended December 31, 1964

### DEVELOPMENT EXPENSE

Balance — December 31, 1963 .....		\$204,430.90	
Additions during the year			
Surface exploration .....	\$24,858.12		
Assays .....	53.75		
Diamond drilling .....	6,138.63		
Licenses and fees .....	1,009.00	32,059.50	
		<u>32,059.50</u>	
			\$236,490.40
Deduct —			
Costs applicable to mining claims abandoned .....		7,962.35	\$228,528.05
		<u>7,962.35</u>	

### ADMINISTRATIVE EXPENSE

Balance — December 31, 1963 .....		\$ 77,625.83	
Additions during the year			
Filing fees .....	\$ 690.00		
Legal and audit .....	350.00		
Transfer agents and registrar fees .....	1,408.90		
Reports to shareholders .....	583.66		
Listing and sustaining fees .....	200.00		
Head office administration .....	3,000.00		
Office and stationery expense .....	837.33		
Telephone and postage expense .....	370.81		
Insurance .....	113.82		
Depreciation expense .....	1,862.45		
Travelling expense .....	121.80		
General expense .....	55.31		
	<u>\$ 9,594.08</u>		
Less — Interest earned .....	1,367.24	8,226.84	85,852.67
	<u>1,367.24</u>	<u>8,226.84</u>	<u>85,852.67</u>
			<u>\$314,380.72</u>

# JACQUET RIVER

(Incorporated under the Law

## *Balance Sheet as at*

### ASSETS

Cash .....	\$ 194.33
Investment in shares of other mining companies, at cost (Quoted market value \$13,354.00) .....	21,377.10
Mining claims held under mining license .....	50,000.00
Deferred development and administrative expenditures, per statement .....	48,029.34

NOTE: Jacquet River Mines Limited has agreed not to allot and issue, or cause to be allotted and issued, any shares of its capital stock whatsoever at any time without the written approval and consent of Grandroy Mines Limited.

\$119,600.77

Approved on behalf of the Board:

M. J. BOYLEN, Director.

G. L. MOORE, Director.



# MINES LIMITED

(the Province of Ontario)

December 31, 1964

## LIABILITIES

Accounts payable .....	\$	100.00
Advance from parent company Grandroy Mines Limited .....		77,373.84
Shareholders' Equity		
Capital Stock		
Authorized		
5,000,000 shares of \$1.00 par value .....	\$	<u>5,000,000.00</u>
Issued		
1,250,007 shares .....	\$	1,250,007.00
Less: Discount thereon .....		1,162,500.00
	\$	<u>87,507.00</u>
Capital Deficit		
No change during the year .....	45,380.07	42,126.93
		<u>\$119,600.77</u>

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of JACQUET RIVER MINES LIMITED as at December 31, 1964 and the statement of deferred expenditures for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of deferred expenditures present fairly the financial position of the Company as at December 31, 1964 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,  
March 18, 1965.

LOFTUS A. ALLEN & CO.,  
Chartered Accountants.

Mr. Scott

# JACQUET RIVER MINES LIMITED

## *Statement of Deferred Expenditures*

For the Year Ended December 31, 1964

BALANCE — DECEMBER 31, 1963 ..... \$45,195.38

### MINE DEVELOPMENT EXPENSES

Assessment for work .....	\$2,408.91	
Licenses and fees .....	272.50	\$2,681.41

### ADMINISTRATIVE EXPENSES

Legal and audit .....	\$ 25.00		
Transfer agent .....	50.00		
Filing fees .....	55.00		
Corporation tax .....	20.00		
Bank charges .....	2.55	152.55	2,833.96

BALANCE — DECEMBER 31, 1964 ..... \$48,029.34